

ORIENT SCHOOL DISTRICT No. 65
Ferry County, Washington
September 1, 1991 Through August 31, 1993

Schedule Of Findings

1. The District Should Improve Procedures And Controls Related To Associated Student Body Receipts And Disbursements

During our audit of the 1992-93 school year, we found that the district deposited all Associated Student Body (ASB) revenues to the ASB imprest checking account rather than with the Ferry County Treasurer. In the same period the district did not replenish disbursements from the imprest bank checking account by a warrant on the ASB Fund.

Washington Administrative Code (WAC) 392-138-035 states in part:

All associated student body moneys, upon receipt, shall be transmitted intact to the district depository bank and then to the county treasurer or directly to the county treasurer for deposit.

WAC 392-138-055(4) states:

An imprest bank checking account shall be replenished at least once each month by a warrant drawn on the associated student body program fund in payment of an approved voucher in an amount equal to the sum total of the disbursements made by a check from the imprest bank checking account during the preceding interval.

Since the ASB revenues were not deposited with the county treasurer and the imprest checking account was not replenished by voucher, both revenue and expenditures were materially understated causing the financial statements to be misleading.

These conditions were caused by turnover in administrative staff since the prior audit and a corresponding lack of training of recently hired personnel.

We recommend that the district correct the ASB accounting records for the current year to reflect the actual revenues received and expenditures incurred.

We further recommend that the district establish procedures to ensure that all ASB moneys are deposited with the county treasurer, and all disbursements from the ASB imprest checking account are replenished by a warrant drawn on the ASB Fund and approved by the school board.